



State of Wisconsin
Governor Scott Walker

Department of Agriculture, Trade and Consumer Protection

Ben Brancel, Secretary

DATE: December 4, 2012

TO: Board of Agriculture, Trade and Consumer Protection

FROM: Ben Brancel, Secretary *Ben Brancel*
Mike Powers, Division of Agricultural Development Administrator *M. Powers*

SUBJECT: **Grow Wisconsin Dairy Producer Grant and Loan Program; Ch. ATCP 161, Emergency Rule**

At the December 18, 2012 Board meeting, the Department of Agriculture, Trade and Consumer Protection (DATCP) will ask the DATCP Board to approve the attached emergency rule related to grants and loans for dairy producers. The Board gave final approval of a virtually identical permanent rule at the August, 2012 board meeting. The emergency rule is necessary to enable DATCP to make grant and loan funds available during the 2013 fiscal year as the permanent rule making process will not be completed until late spring or early summer of 2013. Previously, DATCP adopted a similar emergency rule to enable it to make grant and loan funds available during the first year (the 2012 fiscal year) of the program.

Background

Under s. 93.40 (1) (g), Stats., DATCP is authorized to award grants and loans to dairy producers for projects designed to promote the growth of the dairy industry. DATCP received an annual appropriation of \$200,000 in the biennial budget (2011 Wisconsin Act 32) to make grants and loans to dairy producers designed to promote the growth of the dairy industry. DATCP also administers the Agriculture Diversification and Development Program (s. 93.46, Stats., and ATCP Subchapter I of chapter 161) and the Buy Local Grant Program (s.93.48, Stats., and ATCP Subchapter IV of chapter 161) both of which are GPR funded grant programs to promote the growth of Wisconsin agriculture.

This emergency rule implements the "grow Wisconsin dairy producer" grant and loan program created under ss. 20.115 (4) (d) and 93.40 (1) (g), Stats., and does all of the following:

- Authorizes DATCP to make grant and loan awards and distribute grant and loan funds appropriated for the "grow Wisconsin dairy producer" grant and loan program.
- Spells out the procedures and criteria that DATCP will use to evaluate grant and loan proposals, make grant and loan awards and distribute grant and loan payments.
- Spells out the purposes for which grant and loan funds may be used, subject to the terms of the grant or loan contract.

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Grant and Loan Purposes

Under this emergency rule, DATCP may award grants and loans for projects that create, expand, diversify or promote any of the following:

- New capital investment in the dairy industry.
- New technologies or practices related to dairy production.
- Improvement of the competitive position of the Wisconsin dairy industry.
- Efficient use of farmland and other agricultural resources for dairy production.
- Employment in the dairy industry.

Grant and Loan Limits

Under this emergency rule, DATCP may award no more than \$50,000 of grant funding nor more than \$200,000 in loans to any person or entity in any state fiscal biennium. Once DATCP makes a grant award, DATCP may make the actual grant payments over an original contract term of up to 3 years. Loan awards may be for a term of up to 7 years.

Matching Contribution

DATCP may give preference to applicants providing matching funds which may be in the form of capital, land, labor, equipment or cash related to the grant or loan project.

Use of Grant and Loan Funds

Under this emergency rule, grant funds may be used to reimburse any of the following expenses if those expenses are a reasonable and necessary part of the grant project:

- Operating expenses, including expenses for salaries and wages, contract and consulting services, travel, supplies and public information.
- Equipment rental.
- The purchase of equipment whose full value is ordinarily depreciable within one year.

Grant funds may not reimburse any of the following expenses:

- Real estate purchases.
- Repayment of loans or mortgages.
- Rent or contract payments for time periods extending beyond the term of the grant contract.
- Equipment purchases, except for certain equipment purchases and depreciation expenses specifically authorized by this rule.
- Administrative or overhead costs that are not direct costs of the grant project.

Loan funds are subject to the same use limitations as grant funds except that loan funds may be used for purchase of land and equipment without restriction so long as the purchase is related to the loan project.

Grant and loan Proposals

Under this emergency rule, DATCP must issue at least one request for grant and loan proposals in each state fiscal biennium (DATCP may issue more frequent requests, if it chooses to do so). The request for proposals must describe the required form and content of grant and loan proposals, and must specify a deadline for submitting grant and loan proposals. Applicants must submit grant and loan proposals to DATCP, in the manner prescribed by DATCP's request for proposals.

Grant and Loan Awards

Under this emergency rule, DATCP must evaluate grant and loan proposals and issue its grant awards within 90 days after receipt of a complete proposal. DATCP must clearly identify each award recipient, the amount of the award, and the purposes for which the award is given. DATCP must consider all of the following criteria when evaluating grant proposals and making grant and loan awards:

- The extent to which a proposed project will benefit the dairy industry.
- Whether the proposal complies with DATCP's request for proposals.
- Whether the proposed project meets the standards prescribed in this emergency rule.
- The viability of the proposed project.
- The management and technical qualifications of the grant applicant.
- The qualifications of the persons who will carry out the project.
- The financial capacity of the grant applicant to complete the project as proposed.
- The adequacy of the project plan and budget.
- Whether the grant proposal adequately identifies the nature of project expenses to be reimbursed under the proposed grant.

Grant Contracts

Under this emergency rule, DATCP must enter into a contract with a grant or loan recipient before distributing any funds to that recipient. The contract must spell out grant or loan terms and conditions, including performance requirements, reporting requirements and payment terms.

Grant Payments

Under this emergency rule, DATCP may distribute grant funds in one or more payments, based on documented progress toward completion of the grant project. Loan funds may be distributed upon execution of the loan contract. The contract must describe payment terms and conditions. DATCP may require a grant and loan recipient to file progress reports and require grant recipients to submit expense documentation as necessary to support grant payments.

Fiscal Impact

This emergency rule will have a fiscal impact on DATCP operations. Under this emergency rule, DATCP must issue at least one request for grant proposals in each state fiscal biennium. DATCP staff must review grant applications, recommend grant awards, administer grants, and ensure compliance with applicable requirements. DATCP staff will also provide technical assistance to grant and loan applicants and recipients, as appropriate.

Program administration will occupy at least .5 FTE staff in DATCP's Division of Agricultural Development (this does not include legal, managerial, DATCP central accounting, or other indirect staff support). The cost for the .5 FTE staff will be \$40,000 per year, including salary, fringe benefits and support costs (there will be a smaller proportionate cost for the remainder of the current fiscal year). DATCP will try to fill program staffing needs by shifting current staff from other agricultural development programs. A complete Fiscal Estimate is attached.

Business Impact

The "grow Wisconsin dairy producer" grant and loan program is voluntary and thus imposes no cost on businesses. By providing \$200,000 in grant and loan funding to dairy producers, the "grow Wisconsin dairy producer" grant and loan program will benefit dairy farms, other dairy businesses and communities that participate in production, distribution or marketing of dairy products. Grant and loan recipients will benefit directly, while others will benefit indirectly from the creation of a stronger dairy industry. DATCP plans to use application procedures that will make the cost of applying insignificant and particularly make it possible for small businesses to apply for funding without hiring consulting services. A complete Business Impact Analysis is attached.

Next Steps

If the Board approves the emergency rule, DATCP will seek written approval from the Governor. Following receipt of the Governor's written approval DATCP will publish the rule in the state newspaper. Upon publication the emergency rule will become effective and will remain in effect for 150 days. The emergency rule may be extended for up to an additional 120 days with the approval of the Joint Committee on Administrative Rules.

WISCONSIN DEPARTMENT OF AGRICULTURE,
TRADE AND CONSUMER PROTECTION

EMERGENCY RULE

- 1 The Wisconsin department of agriculture, trade and consumer protection hereby adopts the
2 following emergency rule *to create* s. 161.50 (3) (f) and subch. VI of ch. ATP 161, *relating to*
3 the “grow Wisconsin dairy producer” grant and loan program created under ss. 20.115 (4) (d)
4 and 93.40 (1) (g), Stats.

**Analysis Prepared by the Department
of Agriculture, Trade and Consumer Protection**

This emergency rule implements the “grow Wisconsin dairy producer” grant and loan program created under s. 20.115 (4) (d) and 93.40 (1) (g), Stats., by 2011 Wisconsin Act 32 (biennial budget act). Under s. 93.40 (1) (g), Stats., the Department of Agriculture, Trade and Consumer Protection (“DATCP”) is authorized to award grants and loans to dairy producers for projects designed to promote the growth of the dairy industry. The budget act transferred an annual appropriation of \$200,000 for each year of the biennium from the then Department of Commerce to DATCP. (See s. 20.115 (4) (d), Stats.)

This emergency rule does all of the following:

- Authorizes DATCP to make grant and loan awards and distribute grant and loan funds appropriated for the “grow Wisconsin dairy producer” grant and loan program.
- Specifies the procedures and criteria that DATCP will use to evaluate grant and loan proposals, make grant and loan awards and distribute grant and loan payments.
- Specifies the purposes for which grant and loan funds may be used, subject to the terms of the grant or loan contract.

Statutes Interpreted

Statute Interpreted: s. 20.115 (4) (d) and 93.40 (1) (g), Stats.

Statutory Authority

Statutory Authority: ss. 20.115 (4) (d), 93.40 (1) (g) and 93.07 (1), Stats.

Explanation of Statutory Authority

Section 93.07 (1), Stats., directs DATCP to make such regulations as are necessary for the discharge of all the powers and duties of the department. While granting the authority to make grants and loans to dairy producers, the budget language does not specify the bases for grant and loan determinations. The agency considers it necessary to adopt rules to establish the bases for grant and loan determinations in order to effectuate the purposes of s. 20.114 (4) (d) and 93.40 (1) (g), Stats. This temporary emergency rule implements the “grow Wisconsin dairy producer” grant and loan program on an interim basis, pending the adoption of “permanent” rules.

Related Rules or Statutes

There are no directly related rules or statutes, other than those cited above. DATCP rules for the “grow Wisconsin dairy producer” grant and loan program will be incorporated as a subchapter of ch. ATCP 161, Wis. Adm. Code (agricultural development and market promotion).

Plain Language Analysis

The “grow Wisconsin dairy producer” grant and loan program is designed to promote the growth of the dairy industry by providing grants and loans to dairy producers. The biennial budget act transferred \$200,000 in grant funding for each year of the FY 2011-13 fiscal biennium. This emergency rule spells out grant and loan procedures and criteria. Under this emergency rule, the “grow Wisconsin dairy producer” grant and loan program will support projects proposed by dairy producers intended to expand and diversify the dairy industry.

Grant and Loan Purposes

Under this emergency rule, DATCP may award grants and loans for projects that create, expand, diversify or promote any of the following:

- New capital investment in the dairy industry.
- New technologies or practices related to dairy production.
- Improvement of the competitive position of the Wisconsin dairy industry.
- Efficient use of farmland and other agricultural resources for dairy production.
- Employment in the dairy industry.

Grant and Loan Limits

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Matching Contribution

DATCP may give preference to applicants providing matching funds which may be in the form of capital, land, labor, equipment or cash related to the grant or loan project.

Use of Grant and Loan Funds

Under this emergency rule, grant funds may be used to reimburse any of the following expenses if those expenses are a reasonable and necessary part of the grant project:

- Operating expenses, including expenses for salaries and wages, contract and consulting services, travel, supplies and public information.
- Equipment rental.
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Grant and Loan Awards

Under this emergency rule, DATCP must evaluate grant and loan proposals and issue its grant awards within 90 days after receipt of a complete proposal. DATCP must clearly identify each award recipient, the amount of the award, and the purposes for which the award is given. DATCP must consider all of the following criteria when evaluating grant proposals and making grant and loan awards:

- The extent to which a proposed project will benefit the dairy industry.
- Whether the proposal complies with DATCP's request for proposals.
- Whether the proposed project meets the standards prescribed in this emergency rule.
- The viability of the proposed project.
- The management and technical qualifications of the grant applicant.
- The qualifications of the persons who will carry out the project.
- The financial capacity of the grant applicant to complete the project as proposed.
- The adequacy of the project plan and budget.
- Whether the grant proposal adequately identifies the nature of project expenses to be reimbursed under the proposed grant.

Grant Contracts

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Grant Payments

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Fiscal Impact

This emergency rule will have a fiscal impact on DATCP operations. Under this emergency rule, DATCP must issue at least one request for grant proposals in each state fiscal biennium. DATCP staff must review grant applications, recommend grant awards, administer grants, and ensure compliance with applicable requirements. DATCP staff will also provide technical assistance to grant and loan applicants and recipients, as appropriate.

Program administration will occupy at least .5 FTE staff in DATCP's Division of Agricultural Development (this does not include legal, managerial, DATCP central accounting, or other indirect staff support). The cost for the .5 FTE staff will be \$50,000 per year, including salary, fringe benefits and support costs (there will be a smaller proportionate cost for the remainder of the current fiscal year). DATCP will try to fill program staffing needs by shifting current staff from other agricultural development programs. A complete Fiscal Estimate is attached.

Business Impact

The "grow Wisconsin dairy producer" grant and loan program is voluntary and thus imposes no cost on businesses. By providing \$200,000 in grant and loan funding to dairy producers, the "grow Wisconsin dairy producer" grant and loan program will benefit dairy farms, other dairy

businesses and communities that participate in production, distribution or marketing of dairy products. Grant and loan recipients will benefit directly, while others will benefit indirectly from the creation of a stronger dairy industry. DATCP plans to use application procedures that will make the cost of applying insignificant and particularly make it possible for small businesses to apply for funding without hiring consulting services. A complete Business Impact Analysis is attached.

Federal and Surrounding State Programs

Federal Programs

There are currently no similar federal programs.

Surrounding State Programs

The Minnesota Dairy Development and Profitability Enhancement program awards \$200,000 annually in grants of up to \$5,000 per dairy producer to cover half the cost of a comprehensive business plan to evaluate farm start-up, modernization and expansion.

In 2009-2010, 50 Minnesota producers were selected to share \$1 million in grants aimed at boosting the state's livestock sector with projects that include renovation of milking facilities, barn upgrades, technology modernization, improved waste management systems and business transitions.

There are no similar programs in Illinois, Indiana, Iowa, or Michigan.

Data and Analytical Methodologies

DATCP worked with representatives of various dairy producer groups to develop standards for grant and loan determinations contained in this emergency rule.

DATCP Contact

Questions and comments related to this rule may be directed to:

Kathy Schmitt
Department of Agriculture, Trade and Consumer Protection
P.O. Box 8911
Madison, WI 53708-8911
Telephone (608) 224-5048
E-Mail: kathy.schmitt@wisconsin.gov

Rule comments will be accepted up to two weeks after the last public hearing is held on this rule. Hearing dates will be scheduled after this rule is approved by the Governor and published in the Wisconsin State Journal.

FINDING OF EMERGENCY

Enactment of a rule is necessary to establish criteria the department will use to make determinations for grants, loans or other forms of financial assistance to dairy producers to promote and develop the dairy industry. An emergency rule is needed to ensure that funds are used to assist dairy producers during the second year of the annual appropriation as permanent rules cannot be adopted in time to provide the basis for grant determinations for the second year appropriations.

EMERGENCY RULE

SECTION 1. ATCP 161.50 (3) (f) is created to read:

ATCP 161.50 (3) (f). The “grow Wisconsin dairy producer” grant and loan program under ss. 20.115 (4) (d) and 93.40 (1) (g), Stats.

SECTION 2. Subchapter VI of ch. ATCP 161 is created to read:

Subchapter VI

“Grow Wisconsin Dairy Producer” Grant and Loan Program

ATCP 161.60 Purpose. This subchapter implements the “grow Wisconsin dairy producer” grant and loan program created under ss. 20.115 (4) (d) and 93.40 (1) (g), Stats.

ATCP 161.61 Definitions. In this subchapter:

(1) “Applicant” means a person who submits a grant or loan proposal under s. ATCP 161.64.

(2) “Authorized department official” means the department secretary, deputy secretary or executive assistant.

1 (3) “Dairy producer” means a licensed milk producer, licensed dairy plant or other
2 licensed entities that produces or processes milk.

3 (4) “Department” means the Wisconsin department of agriculture, trade and consumer
4 protection.

5 (5) “Person” means an individual, corporation, cooperative, partnership, limited liability
6 company, trust, governmental entity, academic institution or other legal entity.

7 **ATCP 161.62 Grant program; general. (1) GRANT PURPOSES.** The department may
8 award grants under s. 93.40 (1) (g), Stats., for projects undertaken by dairy producers that are
9 designed to do any of the following:

10 (a) Increase production, profitability, processing, marketing or distribution of Wisconsin
11 dairy products.

12 (b) Increase capital investment in the dairy industry.

13 (c) Apply new technologies related to dairy production.

14 (d) Improve the competitiveness of the Wisconsin dairy industry.

15 (e) Make more efficient use of farmland and other agricultural resources for dairy
16 production.

17 (f) Create or retain jobs in the dairy industry.

18 **(2) GRANT AND LOAN PROPOSALS; EVALUATION.** A grant or loan award under sub. (1)
19 shall be based on a grant proposal submitted under s. ATCP 161.64. The department shall
20 evaluate grant and loan proposals according to s. ATCP 161.65.

21 **(3) GRANT AND LOAN AWARDS.** A grant or loan award under sub. (1) shall be signed by
22 an authorized department official. The grant or loan award shall clearly identify the person to
23 whom the grant or loan is awarded, the amount awarded, and the purposes for which the grant or

1 loan is awarded. The department may not award more than \$50,000 in grant funding or more
2 than \$200,000 in loans to the same person in any state fiscal biennium.

3 (4) GRANT AND LOAN TERMS AND CONDITIONS. Each grant and loan is subject to the
4 terms and conditions provided in s. ATCP 161.63 and the grant or loan contract. The department
5 may specify terms and conditions to ensure that grant and loan funds are effectively used for the
6 purposes awarded.

7 (5) GRANT OR LOAN CONTRACT. The department may not distribute any grant or loan
8 funds to the recipient of a grant award under sub. (1) until that recipient enters into a contract
9 with the department. The contract shall comply with s. ATCP 161.66.

10 **NOTE:** Grant and loan proposals, awards, contracts, progress reports and other
11 documents are open to public inspection to the extent provided by Wisconsin's
12 open records law, subch. II of ch. 19, Stats.
13

14 (6) The department may only award a grant or loan under this subch. for a project
15 conducted in this state.

16 **ATCP 161.63 Grant and loan terms and conditions. (1) USE OF GRANT FUNDS.**
17 Permitted uses of grant funds for expenses that are a reasonable and necessary part of the grant
18 project include:

19 (a) Operating expenses, including expenses for salaries and wages, contract and
20 consulting services, travel, supplies and public information.

21 (b) Equipment rental.

22 (2) PROHIBITED USES OF GRANT FUNDS. Grant funds may not be used for any of the
23 following:

24 (a) Capital acquisition.

25 (b) Administrative or overhead expenses not directly related to the grant project.

1 (c) Repayment of loans or mortgages.

2 (3) USE OF LOAN FUNDS. Permitted uses of loan funds for expenses that are a reasonable
3 and necessary part of the loan project include:

4 (a) Operating expenses, including expenses for salaries and wages, contract and
5 consulting services, travel, supplies and public information.

6 (b) Equipment purchase or lease.

7 (c) Land and building acquisitions.

8 (4) PROHIBITED USES OF LOAN FUNDS. Loan funds may not be used repayment of loans
9 or mortgages.

10 **ATCP 161.44 Grant proposals. (1) GENERAL.** To obtain a grant or loan under s.
11 ATCP 161.62 (1), a person shall submit a grant or loan proposal in response to a department
12 request for grant proposals under sub. (2).

13 (2) REQUEST FOR PROPOSALS. (a) The department may, at any time, issue a request for
14 grant and loan proposals. The department shall issue a request for grant and loan proposals at
15 least once during every state fiscal biennium. A request for grant and loan proposals shall be
16 signed by an authorized department official and shall include all of the following:

17 1. A deadline date and address for submitting proposals.

18 2. Format and content requirements for proposals.

19 3. The name, business mailing address, business email address, and business telephone
20 number of a department representative who can provide more information or answer questions
21 about the request for proposals.

22 4. Other relevant terms and conditions that the department wishes to include.

(b) The department shall issue a general news release announcing each request for grant and loan proposals.

NOTE: Persons who wish to obtain a free copy of a request for grant and loan proposals may contact the department at the following address:

Wisconsin Department of Agriculture, Trade and Consumer Protection
"Grow Wisconsin Dairy Producer" Grant and Loan Program
P. O. Box 8911, Madison, WI 53718-8911
Email: GrowWisconsinDairy@wi.gov
Telephone: (855) 943-2479

ATCP 161.45 Evaluating grant proposals. (1) EVALUATION PERIOD. The department shall evaluate grant and loan proposals submitted under this subchapter and shall announce each grant and loan awards within 90 days after submission of a complete proposal as specified in the applicable request for proposals. The department may require applicants to submit additional information, as necessary, to complete a grant or loan proposal.

(2) EVALUATION CRITERIA. In its evaluation under sub. (1), the department shall consider all of the following criteria:

- (a) Whether the proposal complies with the department request for proposals.
- (b) Whether the proposed project complies with this subchapter.
- (c) The viability of the proposed project.
- (d) The management and technical qualifications of the applicant.
- (e) The qualifications of the persons who will carry out the project.
- (f) The financial capacity of the applicant to complete the project as proposed.
- (g) The adequacy of the project plan and budget.
- (h) Whether the proposal adequately identifies project expenses including those expenses paid for with grant or loan funds.
- (i) The benefit of the project to the dairy industry.

(3) MATCHING CONTRIBUTION. The department may give preference to applicants providing matching funds which may be in the form of capital, land, labor, equipment or cash related to the grant or loan project.

1 **ATCP 161.66 Grant contracts. (1) CONTRACT REQUIRED.** A successful grant and loan
2 applicant shall enter into a contract with the department before any funds are distributed to the
3 applicant. No funding commitment is final until a contract is executed.

4 **(2) CONTRACT PROVISIONS.** Each grant and loan contract shall be signed by an
5 authorized representative of the department and the applicant and shall include provisions to
6 ensure that the grant or loan recipient complies with the provisions of this subchapter, uses grant
7 or loan funds according to its approved proposal and otherwise meets its obligations to carry out
8 the project in its approved proposal.

9 **(3) CONTRACT PERIOD.** A contract under this section takes effect when signed by an
10 authorized representative of the department. The original term of a grant contract may not be for
11 more than 3 years. The original term of a loan contract may not be for more than 7 years.

12 **NOTE:** The department will include, in every contract under s. ATCP 161.66, general
13 terms and conditions required in state contracts under state law. The department
14 may include other terms and conditions that it considers necessary.
15

16 **(4) PAYMENT TERMS.** Every grant contract shall include payment terms and conditions,
17 including a payment schedule if applicable.

18 **NOTE:** The department may distribute grant funds in one or more payments, based on
19 documented progress toward completion of the grant project. The grant contract
20 will describe payment terms and conditions. Payments are made on a
21 reimbursement basis. The department may require a grant recipient to file
22 progress reports and submit expense documentation as necessary to support grant
23 payments. See s. ATCP 161.43(4).
24

1 **SECTION 3. EFFECTIVE DATE AND DURATION:** This emergency rule takes effect upon
2 publication and remains in effect for 150 days. The department may seek to extend this
3 emergency rule as provided in s. 227.24, Stats.

. Dated this _____ day of _____, 2012.

STATE OF WISCONSIN
DEPARTMENT OF AGRICULTURE,
TRADE AND CONSUMER PROTECTION

By _____
Ben Brancel, Secretary

Wisconsin Department of Agriculture, Trade and Consumer Protection

Business Impact Analysis¹

Rule Subject: Grow Wisconsin Dairy Producer Grant and Loan Program
Adm. Code Reference: ATCP 161, subch. VI (Emergency Rule)
Rules Clearinghouse #: Not applicable
DATCP Docket #: 12-R-10

Rule Summary

The “grow Wisconsin dairy producer” grant and loan program is designed to promote the growth of the dairy industry by providing grants and loans to dairy producers. The biennial budget act transferred \$200,000 in grant funding for each year of the FY 2011-13 fiscal biennium. This emergency rule spells out grant and loan procedures and criteria. Under this emergency rule, the “grow Wisconsin dairy producer” grant and loan program will support projects proposed by dairy producers intended to expand and diversify the dairy industry.

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Under this emergency rule, DATCP may award grants and loans for projects that create, expand, diversify or promote any of the following:

- New capital investment in the dairy industry.
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- Efficient use of farmland and other agricultural resources for dairy production.
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Under this emergency rule, DATCP may award no more than \$50,000 of grant funding nor more than \$200,000 in loans to any person or entity in any state fiscal biennium. Once DATCP makes a grant award, DATCP may make the actual grant payments over an original contract term of up to 3 years. Loan awards may be for a term of up to 7 years.

¹ This analysis includes, but is not limited to, a small business analysis (“regulatory flexibility analysis”) under ss. 227.114 and 227.19(3) (e), Stats.

Matching Contribution

DATCP may give preference to applicants providing matching funds which may be in the form of capital, land, labor, equipment or cash related to the grant or loan project.

Use of Grant and Loan Funds

Under this emergency rule, grant funds may be used to reimburse any of the following expenses if those expenses are a reasonable and necessary part of the grant project:

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- Whether the proposal complies with DATCP's request for proposals.
- Whether the proposed project meets the standards prescribed in this emergency rule.
- The viability of the proposed project.
- The management and technical qualifications of the grant applicant.
- The qualifications of the persons who will carry out the project.
- The financial capacity of the grant applicant to complete the project as proposed.
- The adequacy of the project plan and budget.
- Whether the grant proposal adequately identifies the nature of project expenses to be reimbursed under the proposed grant.

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Business Impact

The "grow Wisconsin dairy producer" grant and loan program is voluntary and thus imposes no cost on businesses. By providing \$200,000 in grant and loan funding to dairy producers, the "grow Wisconsin dairy producer" grant and loan program will benefit dairy farms, other dairy businesses and communities that participate in production, distribution or marketing of dairy products. Grant and loan recipients will benefit directly, while others will benefit indirectly from the creation of a stronger dairy industry. DATCP plans to use application procedures that will make the cost of applying insignificant and particularly make it possible for small businesses to apply for funding without hiring consulting services.

Conclusion

This rule will have no impact on business since it only applies to those businesses that voluntarily seek and are awarded dairy grant or loan funds.

Dated this 07th day of December, 2012

STATE OF WISCONSIN
DEPARTMENT OF AGRICULTURE,
TRADE AND CONSUMER PROTECTION

By 

Mike Powers, Administrator,
Division of Agricultural Development

FISCAL ESTIMATE

DOA-2048 N(R10/94)

☒ ORIGINAL
☐ CORRECTED☐ UPDATED
☐ SUPPLEMENTAL

LRB and Bill No/Adm. Rule No.

ATCP 161.60

Amendment No. If Applicable

Subject Administrative rule ATCP 161.60 establishes provisions for the selection and administration of dairy industry grants and loans.

Fiscal Effect**State:** ☐ No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum certain appropriation

☐ Increase Existing Appropriation
☐ Decrease Existing Appropriation
☐ Create New Appropriation☐ Increase Existing Revenues
☐ Decrease Existing Revenues☒ Increase Costs - May be possible to Absorb
Within Agency's Budget ☒ Yes ☐ No☐ Decrease Costs**Local:** ☒ No local government costs

1. ☐ Increase Costs
☐ Permissive ☐ Mandatory
2. ☐ Decrease Costs
☐ Permissive ☐ Mandatory

3. ☐ Increase Revenues
☐ Permissive ☐ Mandatory
4. ☐ Decrease Revenues
☐ Permissive ☐ Mandatory

5. Types of Local Governmental Units Affected:
☐ Towns ☐ Village ☐ Cities
☐ Counties ☐ Others _____
☐ School Districts ☐ WTCS Districts

Fund Sources Affected☒ GPR ☐ FED ☐ PRO ☐ PRS ☐ SEG ☐ SEG-S**Affected Ch. 20 Appropriations**

20.115 (3)(a) 20.115 (4)(d)

Assumptions Used in Arriving at Fiscal Estimate

This emergency rule will establish criteria DATCP will use to make determinations for grants and loans to dairy producers to promote and develop the dairy industry. Rules are necessitated by the addition of authority and general purpose revenue funding appropriated to the Department as part of 2011 Wis. Act 32, the Biennial Budget. An emergency rule is necessary to ensure that 2013 fiscal year funds are used to assist dairy producers as permanent rules cannot be adopted in time to provide the basis for grant determinations for the 2013 fiscal year appropriation.

There are one-time costs for staff and legal time of an estimated \$6,238 associated with the development of the emergency rule.

The estimated fiscal costs of the administration of the dairy grants and loans program under the emergency rule include staffing and support costs and the amounts appropriated for financial assistance.

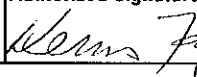
Administration will be undertaken using existing staff during the balance of 2011-13. DATCP anticipates utilizing .5 FTE to handle the grant and loan program, with duties that will include distributing RFPs, processing returned forms, logging grant data, routing contracts, collecting project updates, closing out completed grants, and routing payments. The Staff assigned to that effort are funded at \$26.03/hour. Fringe costs in 2011-12 are 44.44% for permanent staff, creating total admin staff costs of \$39,102. Support costs for the position are estimated at \$10,875 for computer, rent, phone, and administrative costs.

Long-Range Fiscal Implications

Agency/Prepared by: (Name & Phone No.)

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Date

12/4/2012